

SENATE, No. 308

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator RONALD L. RICE

District 28 (Essex)

SYNOPSIS

Requires municipal accounting of abandoned properties before receiving certain State aid; establishes State database of abandoned properties; requires owners of abandoned properties to document rehabilitation efforts.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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2

1 AN ACT concerning abandoned properties, supplementing
2 P.L.2006, c.24 (C.55:19-106 et al.), and amending various parts
3 of the statutory law.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) As used in sections 2 and 3 of P.L. , c.
9 (C.) (pending before the Legislature as this bill):

10 “Abandoned property” means any property that has not been
11 legally occupied for a period of six months, not including a building
12 occupied on a seasonal basis, and in which at least two of the
13 following conditions exist:

14 (1) overgrown or neglected vegetation;

15 (2) the accumulation of newspapers, circulars, flyers or mail on
16 the property;

17 (3) disconnected gas, electric, or water utility services to the
18 property;

19 (4) the accumulation of hazardous, noxious, or unhealthy
20 substances or materials on the property;

21 (5) the accumulation of junk, litter, trash, or debris on the
22 property;

23 (6) the absence of window treatments such as blinds, curtains, or
24 shutters;

25 (7) the absence of furnishings and personal items;

26 (8) statements of neighbors, delivery persons, or government
27 employees indicating that the residence is vacant and abandoned;

28 (9) windows or entrances to the property that are boarded up or
29 closed off or multiple window panes that are damaged, broken, and
30 unrepaired;

31 (10) doors to the property that are smashed through, broken off,
32 unhinged, or continuously unlocked;

33 (11) a risk to the health, safety, or welfare of the public, or any
34 adjoining or adjacent property owners, exists due to acts of
35 vandalism, loitering, criminal conduct, or the physical destruction
36 or deterioration of the property;

37 (12) an uncorrected violation of a municipal building, housing,
38 or similar code during the preceding year, or an order by municipal
39 authorities declaring the property to be unfit for occupancy and to
40 remain vacant and unoccupied;

41 (13) the mortgagee or other authorized party has secured or
42 winterized the property due to the property being deemed vacant
43 and unprotected or in danger of freezing;

44 (14) a written statement issued by any mortgagor expressing the
45 clear intent of all mortgagors to abandon the property;

46 (15) any other reasonable indicia of abandonment.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 “Owner” means any person or entity that owns real property
2 constituting an abandoned property as defined in this section and
3 includes an agent designated to be in charge of managing the
4 property.

5
6 2. (New section) a. A municipality shall annually undertake
7 an inventory of all abandoned properties located within the
8 municipality and maintain a registry of those properties. The
9 registry shall include the following information for each abandoned
10 property:

11 (1) the tax block and lot number;

12 (2) the street address;

13 (3) the owner or owners of the property;

14 (4) the person or entity responsible for rehabilitating the
15 property; and

16 (5) any rehabilitation efforts completed on the property, as
17 reported by the owner or agent of the property pursuant to section 3
18 of P.L. , c. (C.) (pending before the Legislature as this
19 bill).

20 b. A municipality may impose and assess an annual fee on the
21 owner of each abandoned property located within the municipality
22 in order to defray the costs associated with undertaking the
23 inventory and maintaining the registry required under this section.
24 Unpaid fees shall constitute a lien on the property and shall be
25 collected in the same manner as property taxes.

26 c. A municipality shall annually submit to the Division of
27 Local Government Services in the Department of Community
28 Affairs an abandoned property registry. The Division of Local
29 Government Services shall make available on its Internet website a
30 Statewide database of all abandoned properties using the registry
31 submissions of each municipality. The database shall be searchable
32 by municipality and by the type of entity owning each item of
33 abandoned property, including financial institutions, municipalities,
34 private residents, and other public or private entities.

35 d. A municipality shall not receive Energy Tax Receipts
36 Property Tax Relief Aid, Consolidated Municipal Property Tax
37 Relief Aid, Transitional Aid to Localities, or any successor
38 discretionary aid programs for municipalities in fiscal distress,
39 during any fiscal year in which the municipality fails to comply
40 with the provisions of this section.

41
42 3. (New section) a. A municipality shall require, on a
43 quarterly basis, the owner of each property identified on the
44 abandoned property registry to document any rehabilitation efforts
45 completed on the property during the prior 12 month period. The
46 municipality shall notify the owner of each abandoned property of
47 the requirement to document the rehabilitation efforts. The notice
48 shall be provided on a quarterly basis, as determined by the

1 Commissioner of Community Affairs. The notice shall clearly
2 indicate:

- 3 (1) the street address of the abandoned property;
- 4 (2) the owner or owners of the abandoned property;
- 5 (3) the date of delivery of the notice;
- 6 (4) the requirement of the owner to respond to the notice;
- 7 (5) the manner in which the owner shall respond to the notice,
8 including, but not limited to, the municipal officer to whom the
9 response shall be addressed; and
- 10 (6) the authority of the municipality to hold a special tax sale
11 with respect to the abandoned property if the owner fails to
12 completely and accurately respond to each notice, which shall be
13 indicated in bold lettering.

14 b. (1) The municipality shall serve the notice, on a quarterly
15 basis, to the owner of each abandoned property as follows:

16 (a) by mailing the notice by certified mail, return receipt
17 requested, to the person designated as owner or agent on the
18 certification of registration, or in the municipal tax records, or in
19 the records of the Department of the Treasury; or

20 (b) by service upon the owner, or upon a person authorized to
21 accept service on behalf of the owner in a civil matter, in
22 accordance with the Rules Governing the Courts of the State of
23 New Jersey.

24 (2) The date of receipt of the notice shall be considered the date
25 of personal service or the date of return of the certified mailing.

26 c. If the owner of the abandoned property fails to verify the
27 receipt of the notice, and the abandoned property is eligible for tax
28 sale pursuant to R.S.54:5-19, the municipality may hold a special
29 tax sale with respect to the abandoned property pursuant to section
30 24 of the "Abandoned Properties Rehabilitation Act,"
31 P.L.2003, c.210 (C.55:19-101), except that the abandoned property
32 shall not be eligible for the special tax sale if the owner of the
33 property completely and accurately responds to the notice, in
34 accordance with subsection f. of this section, prior to the date of the
35 special tax sale.

36 d. A municipality may impose and collect an annual fee on the
37 owner of each abandoned property located within the municipality
38 in order to defray the costs associated with implementing the
39 provisions of this section. Unpaid fees shall constitute a lien on the
40 property and shall be collected in the same manner as property
41 taxes.

42 e. A municipality shall not receive Energy Tax Receipts
43 Property Tax Relief Aid, Consolidated Municipal Property Tax
44 Relief Aid, Transitional Aid to Localities, or any successor
45 discretionary aid programs for municipalities in fiscal distress,
46 during any fiscal year in which the municipality does not request
47 the owner of each abandoned property to document the completion

1 of rehabilitation efforts in accordance with the provisions of this
2 section.

3 f. (1) The owner of an abandoned property shall respond to
4 each notice within 30 days of the date of receipt. The response
5 shall document any rehabilitation efforts completed on the
6 abandoned property in the 12 month period immediately preceding
7 the date of delivery of the notice. If rehabilitation efforts were not
8 completed during that period of time, the response shall include an
9 explanation for the failure of the owner to rehabilitate the property.
10 The response shall be delivered by personal service, or certified or
11 ordinary mail, to the municipal officer responsible for receiving the
12 response, as indicated in the notice.

13 (2) If the owner of the abandoned property fails to respond to a
14 notice within 30 days of the date of receipt or the information
15 provided in the response is inaccurate or incomplete, and the
16 abandoned property is eligible for tax sale pursuant to R.S.54:5-19,
17 the municipality may hold a special tax sale with respect to the
18 abandoned property pursuant to section 24 of the "Abandoned
19 Properties Rehabilitation Act," P.L.2003, c.210 (C.55:19-101),
20 except that the abandoned property shall not be eligible for the
21 special tax sale if the owner of the property completely and
22 accurately responds to the notice prior to the date of the special tax
23 sale.

24
25 4. (New section) The Commissioner of Community Affairs
26 shall promulgate rules and regulations, pursuant to the
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
28 seq.), to effectuate the provisions of P.L. , c. (C.) (pending
29 before the Legislature as this bill) on or before the first day of the
30 sixth month following the date of enactment.

31
32 5. Section 24 of P.L.2003, c.210 (C.55:19-101) is amended to
33 read as follows:

34 24. Municipalities may hold special tax sales with respect to
35 those properties eligible for tax sale pursuant to R.S.54:5-19 which
36 are also on an abandoned property list established by the
37 municipality pursuant to section 36 of P.L.1996, c.62 (C.55:19-55)
38 or which are eligible for the special tax sale pursuant to section 3 of
39 P.L. , c. (C.) (pending before the Legislature as this bill).
40 Municipalities electing to hold a special tax sale shall conduct that
41 sale subject to the following provisions:

42 a. The municipality shall establish criteria for eligibility to bid
43 on properties at the sale, which may include, but shall not be limited
44 to: documentation of the bidder's ability to rehabilitate or otherwise
45 reuse the property consistent with municipal plans and regulations;
46 commitments by the bidder to rehabilitate or otherwise reuse the
47 property, consistent with municipal plans and regulations;
48 commitments by the bidder to take action to foreclose on the tax

1 lien by a date certain; and such other criteria as the municipality
2 may determine are necessary to ensure that the properties to be sold
3 will be rehabilitated or otherwise reused in a manner consistent with
4 the public interest;

5 b. The municipality may establish minimum bid requirements
6 for a special tax sale that may be less than the full amount of the
7 taxes, interest and penalties due, the amount of such minimum bid
8 to be at the sole discretion of the municipality, in order to ensure
9 that the properties to be sold will be rehabilitated or otherwise
10 reused in a manner consistent with the public interest;

11 c. The municipality may combine properties into bid packages,
12 and require that bidders place a single bid on each package, and
13 reject any and all bids on individual properties that have been
14 included in bid packages;

15 d. The municipality may sell properties subject to provisions
16 that, if the purchaser fails to carry out any commitment that has
17 been set forth as a condition of sale pursuant to subsection a. of this
18 section or misrepresents any material qualification that has been
19 established as a condition of eligibility to bid pursuant thereto, then
20 the properties and any interest thereto acquired by the purchaser
21 shall revert to the municipality, and any amount paid by the
22 purchaser to the municipality at the special tax sale shall be forfeit
23 to the municipality;

24 e. In the event there are two or more qualified bidders for any
25 property or bid package in a special tax sale, the municipality may
26 designate the unsuccessful but qualified bidder whose bid was
27 closest to the successful bid as an eligible purchaser;

28 f. In the event that the purchaser of that property or bid
29 package fails to meet any of the conditions of sale established by
30 the municipality pursuant to this section, and their interest in the
31 property or properties reverts to the municipality, the municipality
32 may subsequently designate the entity previously designated as an
33 eligible purchaser as the winning bidder for the property or
34 properties, and assign the tax sale certificates to that entity on the
35 basis of that entity's bid at the special tax sale, subject to the terms
36 and conditions of the special tax sale.

37 g. The municipality shall provide notice of a special tax sale
38 pursuant to R.S.54:5-26. The notice shall include any special terms
39 of sale established by the municipality pursuant to subsection b., c.
40 or d. of this section. Nothing shall prohibit the municipality from
41 holding a special tax sale on the same day as a standard or
42 accelerated tax sale.

43 (cf: P.L.2005, c.118, s.9)

44

45 6. Section 2 of P.L.1997, c.167 (C.52:27D-439) is amended to
46 read as follows:

47 2. a. Commencing July 1, 1997 there is established the
48 "Energy Tax Receipts Property Tax Relief Fund" as a special

1 dedicated fund in the State Treasury into which there shall be
2 credited annually, commencing in State fiscal year 1998, the sum of
3 \$740,000,000 or the amount determined pursuant to subsection e. of
4 this section from the following: net payments under the "Sales and
5 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) from sales and
6 use of energy or utility services, net payments under the
7 Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1
8 et seq.) from gas, electric, and gas and electric public utilities,
9 whether municipal or otherwise, that were subject to tax pursuant to
10 the provisions of P.L.1940, c.5 (C.54:30A-49 et seq.) prior to
11 January 1, 1998, net payments under the Corporation Business Tax
12 Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.) from
13 telecommunications public utilities that were subject to tax pursuant
14 to the provisions of P.L.1940, c.4 (C.54:30A-16 et seq.) as of April
15 1, 1997, net payments under P.L.1940, c.5 (C.54:30A-49 et seq.)
16 from sewerage and water corporations, net payments under the
17 "Transitional Energy Facility Assessment Act," P.L.1997, c.162
18 (C.54:30A-100 through C.54:30A-113), and such sums from the
19 General Fund as may be necessary to provide that the annual
20 amount credited to the fund shall equal \$740,000,000 or the amount
21 determined pursuant to subsection e. of this section.

22 b. Notwithstanding the provisions of P.L.1940, c.4 (C.54:30A-
23 16 et seq.), P.L.1940, c.5 (C.54:30A-49 et seq.) and any other
24 provision of law concerning the apportionment and distribution by
25 the State of taxes paid by public utilities,

26 (1) There shall be paid during the State fiscal year 1998 and
27 during each fiscal year thereafter from the "Energy Tax Receipts
28 Property Tax Relief Fund" to the municipalities of the State the sum
29 of \$740,000,000 or the amount determined pursuant to subsection e.
30 of this section.

31 (2) **【A】** Except as provided in subsection g. of this section, a
32 portion of the \$740,000,000 or the amount determined pursuant to
33 subsection e. of this section shall be allocated in a manner that
34 provides that each municipality shall receive an amount not less
35 than the largest annual amount received or to be received by the
36 municipality from:

37 (a) the distribution of \$685,000,000 from the proceeds of the
38 public utilities franchise and gross receipts taxes under
39 P.L.1940, c.4 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-
40 49 et seq.) in calendar year 1994, 1995 or 1996; or

41 (b) the distribution of \$685,000,000 from the proceeds of the
42 public utilities franchise and gross receipts taxes under
43 P.L.1940, c.4 (C.54:30A-16 et seq.) and P.L.1940, c.5 (C.54:30A-
44 49 et seq.) or from taxes and assessments collected in replacement
45 of such taxes as released by the Division of Local Government
46 Services in the Department of Community Affairs as fiscal year
47 1998 estimated franchise and gross receipts taxes State aid
48 distributions by municipality prior to the certification of

1 apportionment of such funds by the Director of the Division of
2 Taxation and the amounts required pursuant to subsection d. of this
3 section.

4 (3) A portion of the \$740,000,000 or the amount determined
5 pursuant to subsection e. of this section shall be allocated in a
6 manner that provides that each municipality shall receive an amount
7 equal to the difference, if any, between the amount it received
8 pursuant to paragraph (2) of this subsection and the sum of the
9 amounts that the municipality received pursuant to the certification
10 made in the 1997 calendar year released by the Division of Local
11 Government Services in the Department of Community Affairs as
12 the fiscal year 1998 estimated franchise and gross receipts taxes
13 State aid distribution of \$685,000,000 and the certification of the
14 1997 fiscal year distribution of \$45,000,000.

15 (4) The portion of the \$740,000,000 or the amount, not more
16 than \$755,000,000, determined pursuant to subsection e. of this
17 section remaining after the allocations pursuant to paragraphs (2)
18 and (3) of this subsection shall be distributed in proportion to the
19 amounts distributed pursuant to paragraph (2) of this subsection.

20 c. (1) The funds distributed pursuant to paragraphs (2) and
21 (4) of subsection b. of this section shall be distributed annually to
22 municipalities on the following schedule: July 15, 35% of the total
23 amount due; August 1, 10% of the total amount due; September 1,
24 30% of the total amount due; October 1, 15% of the total amount
25 due; November 1, 5% of the total amount due; and December 1, 5%
26 of the total amount due.

27 (2) The funds distributed pursuant to paragraph (3) of
28 subsection b. of this section, prior to January 1, 2002 for all
29 municipalities, and distributed after January 1, 2002 for
30 municipalities operating on a State fiscal year basis, shall be
31 distributed annually to those municipalities on or before June 30.
32 The funds distributed after January 1, 2002 pursuant to paragraph
33 (3) of subsection b. of this section to calendar year municipalities
34 shall be distributed annually on or before July 15.

35 d. The allocation set forth in paragraph (2) of subsection b. of
36 this section shall be adjusted to increase each appropriate municipal
37 distribution by the amount necessary to:

38 (1) make corrections to apportionment valuations or distribution
39 values made by the Director of the Division of Taxation in the
40 Department of the Treasury pursuant to R.S.54:30-2; and

41 (2) correct equitable distortions, as determined by the State
42 Treasurer, resulting from the application of section 2 of
43 P.L.1980, c.10 (C.54:30A-24.1) and section 4 of P.L.1980, c.11
44 (C.54:30A-61.1).

45 The director shall report to the Legislature, on or before July 15,
46 1997, the amount and distribution of the corrections pursuant to
47 paragraphs (1) and (2) of this subsection.

1 e. The amount credited to the "Energy Tax Receipts Property
2 Tax Relief Fund" shall be \$745,000,000 for State fiscal year 1999,
3 \$750,000,000 for each of State fiscal years 2000 and 2001,
4 \$755,000,000 for State fiscal year 2002, and for each fiscal year
5 thereafter the amount equal to the amount credited in the prior fiscal
6 year multiplied by the sum of 1.0 and the index rate or zero,
7 whichever is greater. As used in this section, "index rate" means
8 the rate of annual percentage increase, rounded to the nearest half-
9 percent, in the Implicit Price Deflator for State and Local
10 Government Purchases of Goods and Services, computed and
11 published quarterly by the United States Department of Commerce,
12 Bureau of Economic Analysis, calculating the annual increase
13 therein at the second calendar quarter which occurred in the next
14 preceding State fiscal year. The Director of the Division of Local
15 Government Services shall promulgate annually the index rate to
16 apply in the next following State fiscal year which shall be the same
17 as the index rate determined pursuant to section 4 of P.L.1983, c.49
18 (C.40A:4-45.1a). Any amount of aid distributed to a municipality
19 in excess of the amount distributed to the municipality from the
20 "Energy Tax Receipts Property Tax Relief Fund" during the State
21 fiscal year 2002 shall be used solely and exclusively by each
22 municipality for the purpose of reducing the amount the
23 municipality is required to raise by local property tax levy for
24 municipal purposes.

25 f. Notwithstanding any other provision of this section or any
26 other provision of law to the contrary, if any municipality paid a
27 county for an amount for county purposes from the amount it
28 received from its apportionment of taxes according to the
29 limitations on the municipalities apportionment under section 4 of
30 P.L.1980, c.11 (C.54:30A-61.1), the highest amount of that
31 payment during calendar years 1994, 1995, and 1996 shall be paid
32 annually directly to that county by the State Treasurer and be
33 deducted from that municipality's distribution otherwise determined
34 pursuant to paragraph (2) of subsection b. of this section.

35 g. A municipality shall not receive monies from the "Energy
36 Tax Receipts Property Tax Relief Fund" pursuant to the provisions
37 of subsection b. of this section during any fiscal year in which the
38 municipality does not comply with the provisions of section 2 or
39 section 3 of P.L. , c. (C.) (pending before the Legislature
40 as this bill).

41 (cf: P.L.2002, c.3, s.1)

42
43 7. Section 2 of P.L.1999, c.168 (C.52:27D-442) is amended to
44 read as follows:

45 2. a. In each State fiscal year, each municipality shall receive
46 Consolidated Municipal Property Tax Relief Aid equal to the
47 amount of Consolidated Municipal Property Tax Relief Aid
48 received in the prior State fiscal year multiplied by the sum of 1.0

1 and the index rate or zero, whichever is greater. However, any
2 municipality that did not receive a distribution of Consolidated
3 Municipal Property Tax Relief Aid during fiscal year 1999 shall
4 receive aid equal to the amount of Consolidated Municipal Property
5 Tax Relief Aid received in the prior State fiscal year plus the
6 product of the base year amount and the index rate or zero,
7 whichever is greater. As used in this section, "base year amount"
8 means the sum of aid received by the municipality in fiscal year
9 1995 under those State aid programs which were consolidated in
10 P.L.1995, c.164, the fiscal year 1996 annual appropriations act,
11 under the Consolidated Municipal Property Tax Relief Aid
12 distribution. As used in this section, "index rate" means the rate of
13 annual percentage increase, rounded to the nearest half-percent, in
14 the Implicit Price Deflator for State and Local Government
15 Purchases of Goods and Services, computed and published quarterly
16 by the United States Department of Commerce, Bureau of
17 Economic Analysis, calculating the annual increase therein at the
18 second calendar quarter which occurred in the next preceding State
19 fiscal year. The Director of the Division of Local Government
20 Services shall promulgate annually the index rate to apply in the
21 next following State fiscal year which shall be the same as the index
22 rate determined pursuant to section 4 of P.L.1983, c.49 (C.40A:4-
23 45.1a).

24 Any amount of aid distributed to a municipality in excess of the
25 amount distributed to the municipality for Consolidated Municipal
26 Property Tax Relief Aid during the State fiscal year 1999 shall be
27 used solely and exclusively by each municipality for the purpose of
28 reducing the amount the municipality is required to raise by local
29 property tax levy for municipal purposes. If the amount of the
30 increased distribution exceeds the amount required to be raised by
31 local property tax levy for municipal purposes, the balance of the
32 increased distribution shall be used to reduce the amount the
33 municipality is required to collect for county purposes,
34 notwithstanding the provisions of this or any other law to the
35 contrary. The Director of the Division of Local Government
36 Services in the Department of Community Affairs shall certify
37 annually that each municipality has complied with the requirements
38 set forth herein.

39 b. The amount appropriated for Consolidated Municipal
40 Property Tax Relief Aid in a State fiscal year shall be sufficient to
41 fully fund the distribution to municipalities as determined pursuant
42 to subsection a. of this section, except that a municipality shall not
43 receive Consolidated Municipal Property Tax Relief Aid during any
44 fiscal year in which the municipality does not comply with the
45 provisions of section 2 or section 3 of P.L. _____, c. _____ (C. _____)
46 (pending before the Legislature as this bill).

47 (cf: P.L.1999, c.168, s.2)

1 8. Section 1 of P.L.2011, c.144 (C.52:27D-118.42a) is
2 amended to read as follows:

3 1. a. **【The】** Except as otherwise provided in subsection c. of
4 this section, the Director of the Division of Local Government
5 Services in the Department of Community Affairs shall determine
6 conditions, requirements, orders, and oversight for the receipt of
7 any amount of grants, loans, or any combination thereof, provided
8 to any municipality through the Transitional Aid to Localities
9 program or any successor discretionary aid programs for
10 municipalities in fiscal distress. Conditions, requirements, or orders
11 deemed necessary by the director may include, but not be limited to,
12 the implementation of government, administrative, and operational
13 efficiency and oversight measures necessary for the fiscal recovery
14 of the municipality, including but not limited to requiring approval
15 by the director of personnel actions, professional services and
16 related contracts, payment in lieu of tax agreements, acceptance of
17 grants from State, federal or other organizations, and the creation of
18 new or expanded public services.

19 b. An additional amount not to exceed one percent of the
20 amount appropriated in any State Fiscal Year beginning on or after
21 July 1, 2012 for the Transitional Aid to Localities program or any
22 successor discretionary aid programs for municipalities in fiscal
23 distress shall be appropriated for administrative costs of that
24 program, and for administrative costs associated with the oversight
25 of any municipalities under State supervision pursuant to Article 4
26 of the "Local Government Supervision Act (1947)," P.L.1947, c.151
27 (C.52:27BB-54 et seq.), subject to the approval of the Director of
28 the Division of Budget and Accounting in the Department of the
29 Treasury.

30 c. A municipality shall not be awarded aid through the
31 Transitional Aid to Localities program, or any successor
32 discretionary aid programs for municipalities in fiscal distress,
33 during any fiscal year in which the municipality does not comply
34 with the provisions of section 2 or section 3 of P.L. _____, c.
35 (C. _____) (pending before the Legislature as this bill).
36 (cf: P.L.2011, c.144, s.1)
37

38 9. This act shall take effect on the first day of the sixth month
39 following the date of enactment.
40

41 42 STATEMENT 43

44 This bill requires municipalities to take certain actions relating to
45 abandoned properties. Specifically, municipalities would be
46 required to maintain a registry of all abandoned properties and
47 contact the owner of each abandoned property concerning the status
48 of rehabilitation efforts prior to receiving municipal aid. The bill

1 also requires the Department of Community Affairs (DCA) to
2 publish a Statewide database of all abandoned properties.

3 This bill requires every municipality to maintain a registry of all
4 abandoned properties located within the municipality. The registry
5 is to include the following information for each abandoned
6 property: (1) the tax block and lot number; (2) the street address;
7 (3) the owner or owners of the property; (4) the person or entity
8 responsible for rehabilitating the property; and (5) the rehabilitation
9 efforts, if any, completed on the property. The registry would be
10 distinct from the abandoned property list currently maintained by
11 certain municipalities, and the inclusion of a property on the
12 registry would not confer any additional powers to the municipality.

13 Under the bill, each municipality is required to annually submit
14 its abandoned property registry to the Division of Local
15 Government Services in the DCA. The division would be required
16 to make available on its Internet website a Statewide database of all
17 abandoned properties located in the State. The database is to
18 include the information contained in each municipal registry
19 submitted to the division. The database also would be searchable
20 by municipality and by the type of entity owning each abandoned
21 property, including financial institutions, municipalities, private
22 residents, and other public or private entities as deemed appropriate.

23 The bill also requires each municipality to deliver, on a quarterly
24 basis, a notice to the owner of each abandoned property located in
25 the municipality in order to solicit information concerning the status
26 of any rehabilitation efforts. The owner of the property is required
27 to respond by documenting any rehabilitation efforts completed on
28 the property within the previous 12 month period. If the owner of
29 an abandoned property has designated an agent to manage the
30 property, the notice may be delivered to that agent, who may also
31 respond on behalf of the property owner.

32 In addition, the bill authorizes a municipality to hold a special
33 tax sale concerning any abandoned property pursuant to the
34 "Abandoned Properties Rehabilitation Act," if: (1) the property is
35 eligible for tax sale pursuant to R.S.54:5-19; and (2) the owner of
36 the property fails to verify the receipt of the notice, the owner of the
37 property fails to respond within 30 days of the date of receipt, or the
38 response is inaccurate or incomplete. However, an abandoned
39 property would not be eligible for a special tax sale if the owner of
40 the property adequately responds to the notice prior to the date of
41 the special tax sale.

42 In order defray the costs associated with implementing this bill,
43 municipalities would be authorized to impose and collect an annual
44 fee on the owner of each abandoned property. The unpaid fees
45 would constitute a lien on the property and would be collected in
46 the same manner as property taxes.

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1 The bill also provides that a municipality will not receive any of
2 the following forms of municipal aid during any fiscal year in
3 which it fails to comply with the provisions of the bill: Energy Tax

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1 Receipts Property Tax Relief Aid; Consolidated Municipal Property
2 Tax Relief Aid; Transitional Aid to Localities, or any successor
3 discretionary aid program for municipalities in fiscal distress.

4 Given the deleterious effects of abandoned properties on
5 neighboring communities, municipalities currently possess broad
6 powers to rehabilitate abandoned properties. It is the intent of the
7 sponsor to encourage accountability amongst municipalities and the
8 owners of abandoned properties as it relates to the rehabilitation of
9 those properties.